VZCZCXYZ0005 RR RUEHWEB

DE RUEHSG #0142 0251105 ZNR UUUUU ZZH R 251105Z JAN 07 FM AMEMBASSY SANTIAGO TO RUEHC/SECSTATE WASHDC 0815 INFO RUEHCV/AMEMBASSY CARACAS 1248

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STATE FOR IIP/G/WHA, INR/R/MR, WHA/BSC, WHA/PDA, INR/IAA

E.O. 12958: N/A

TAGS: OPRC KMDR KPAO PGOV CI VE

SUBJECT: MEDIA REACTION - VENEZUELA MILITARY PURCHASES

On January 23, government-owned, financially autonomous TVN "Medianoche": A report by the U.S. Department of Defense reported that between 2005-2006, Venezuela spent more money on military purchases than China, Iran or Pakistan. Some believe this is in defiance of the U.S. Chilean defense analyst Eduardo Santos wrote that the U.S. cannot do anything to slow the military expenditures because Venezuela would stop exporting oil to the U.S., and that the real concern is not the weapons themselves but the ideology behind their purchase. According to defense analyst Miguel Navarro, Venezuela's acquisition of higher technology arms poses a threat because it could provoke an arms race in the region.

**KELLY**